



**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall, Suite B
Athens, Ohio 45701
Telephone 740-594-3300
800-441-1389
Facsimile 740-594-2110
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Trimble Township Wastewater Treatment District
Athens County
18551 Jacksonville Road
P.O. Box 278
Jacksonville, Ohio 45740

To the Board of Trustees:

We have audited the accompanying financial statement of the Trimble Township Wastewater Treatment District, Athens County, Ohio (the District), as of and for the years ended December 31, 2000 and 1999. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the District prepares its financial statement on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Trimble Township Wastewater Treatment District, Athens County, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2001, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 1, 2001

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**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES - ENTERPRISE FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000	1999
Operating Cash Receipts:		
Charges for Services	\$ 455,474	\$ 456,358
 Total Operating Cash Receipts	 455,474	 456,358
Operating Cash Disbursements:		
Personal Services	121,876	120,331
Travel Transportation	2,200	1,781
Contractual Services	76,179	84,620
Supplies and Materials	66,658	31,659
 Total Operating Cash Disbursements	 266,913	 238,391
 Operating Income/(Loss)	 188,561	 217,967
Nonoperating Cash Receipts/(Disbursements):		
Miscellaneous	50	200
Interest	25,467	12,780
Refunds and Reimbursements	14,738	24,562
Debt Service	(178,898)	(178,975)
Other Nonoperating Cash Disbursements	(1,118)	(635)
 Total Nonoperating Cash Receipts/(Disbursements)	 (139,761)	 (142,068)
 Net Income/(Loss)	 48,800	 75,899
 Fund Cash Balances, January 1	 437,507	 361,608
Fund Cash Balances, December 31	\$ 486,307	\$ 437,507
 Reserve for Encumbrances, December 31	 \$ 8,527	 \$ 0

The notes to the financial statements are an integral part of this statement.

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**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Trimble Township Wastewater Treatment District, Athens County (the District), is a regional sewer district organized under Ohio Rev. Code Chapter 6119, by the Athens County Common Pleas Court on October 3, 1986. The District operates under the direction of an eight member Board of Trustees whose membership is composed of two appointments from each of the participating subdivisions. The membership elects a President, Vice-President, and a Secretary-Treasurer, who are responsible for fiscal control of the financial resources of the District.

The District was established to provide a modern, efficient and effective wastewater treatment system to promote the general health and safety of the citizens of the District and to make economic development in the area more feasible. The District services all or parts of the following political subdivisions:

- Village of Trimble
- Village of Jacksonville
- Village of Glouster
- Trimble Township

The District's management believes the financial statement presents all activities for which the District is financially accountable.

B. Basis of Accounting

The financial statement follows the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Deposits and Investments

The investment in STAROhio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

D. Fund Accounting

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following type:

Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The District had the following significant Enterprise Funds:

**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Sewer Revenue Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Loan Fund - This fund receives charges for services that accumulate for the payment of principal and interest on the District's debt.

Reserve Fund - This fund receives charges for services that accumulate for the future payment of principal and interest on the District's debt, in the event of default.

Tap Fee Fund - This fund receives tap fees from new users of the system.

E. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2000 budgetary activity appears in Note 3. Per Ohio Attorney General Opinion 99-020, 2000 is the first year the District was required to follow budgetary procedures.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payment for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave is not reflected as a liability under the cash basis of accounting used by the District.

2. POOLED CASH AND INVESTMENTS

The District maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ 165,962	\$ 110,363
Total deposits	165,962	110,363
STAROhio	320,345	327,144
Total investments	320,345	327,144
Total deposits and investments	\$ 486,307	\$ 437,507

Deposits: Deposits are either insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAROhio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2000, was as follows:

Budgeted vs. Actual Receipts

Budgeted Receipts	\$ 498,088
Actual Receipts	495,729
Variance	\$ (2,359)

Budgeted vs. Actual Budgetary Basis Expenditures

Appropriation Authority	\$ 418,088
Budgetary Expenditures	455,456
Variance	\$ (37,368)

**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999
(Continued)**

4. DEBT

Debt outstanding at December 31, 2000, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Waste Water Treatment System Revenue Bonds - Series 1993	\$ 2,351,000	5.00%
Waste Water Treatment System Revenue Bonds - Series 1995	379,000	4.50%
Waste Water Treatment System Revenue Bonds - Series 1998	<u>196,000</u>	4.50%
Total	<u>\$ 2,926,000</u>	

The outstanding bonds had been issued for 40 years. Principal and interest payments are due each year on September 1 for the Series 1993 and Series 1995 bonds. Principal and interest payments are due each year on December 1 for the Series 1998 bonds. Proceeds from the bonds were used for sewer construction. Property and revenue of the District have been pledged to repay the debt.

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31:</u>	<u>Series 1993 Revenue Bonds</u>	<u>Series 1995 Revenue Bonds</u>	<u>Series 1998 Revenue Bonds</u>
2001	\$ 146,550	\$ 22,055	\$ 10,820
2002	147,100	21,830	10,730
2003	146,550	21,605	10,640
2004	146,950	21,380	10,550
2005	147,250	21,155	10,460
Subsequent	<u>4,114,400</u>	<u>651,720</u>	<u>359,835</u>
Total	<u>\$ 4,848,800</u>	<u>\$ 759,745</u>	<u>\$ 413,035</u>

5. RETIREMENT SYSTEM

The District's officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999
(Continued)**

5. RETIREMENT SYSTEM (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, PERS members contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The District has paid all contributions required through December 31, 2000.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Public Entities Pool of Ohio which covers the District for general liability, automobile liability, employee benefit liability, and property insurance.

General liability insurance is covered with a \$2,000,000 per occurrence. Automobile liability has a \$2,000,000 limit with a \$250 deductible for comprehensive and collision coverage. Property insurance coverage is subject to a \$250 deductible for buildings, contents, and miscellaneous property.

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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street
Athens Mall, Suite B
Athens, Ohio 45701
Telephone 740-594-3300
800-441-1389
Facsimile 740-594-2110
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Trimble Township Wastewater Treatment District
Athens County
18551 Jacksonville Road
P.O. Box 278
Jacksonville, Ohio 45740

To the Board of Trustees:

We have audited the accompanying financial statement of the Trimble Township Wastewater Treatment District, Athens County, Ohio (the District), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 1, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the District in a separate letter dated June 1, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated June 1, 2001.

Trimble Township Wastewater Treatment District
Athens County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 1, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

TRIMBLE TOWNSHIP WASTERWATER TREATMENT DISTRICT

ATHENS COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 10, 2001**